

**MINUTES OF THE
GOVERNMENT OPERATIONS and POLITICAL SUBDIVISIONS
INTERIM COMMITTEE**

Wednesday, June 15, 2011 – 9:00 a.m. – Room 30 House Building

Members

Sen. Peter C. Knudson, Senate Chair
Rep. Kraig Powell, House Cochair
Rep. R. Curt Webb, House Cochair
Sen. Casey O. Anderson
Sen. Margaret Dayton
Sen. Scott K. Jenkins
Sen. Ross I. Romero
Rep. David G. Butterfield
Rep. Rebecca Chavez-Houck
Rep. Rebecca P. Edwards
Rep. Janice M. Fisher
Rep. Julie Fisher
Rep. Brad J. Galvez
Rep. Richard A. Greenwood
Rep. Keith Grover
Rep. Brian S. King

Rep. David Litvack
Rep. Curtis Oda
Rep. Lee B. Perry
Rep. Jeremy A. Peterson
Rep. Douglas Sagers
Rep. Mark A. Wheatley

Members Absent:

Rep. Stephen E. Sandstrom
Rep. Carl Wimmer

Staff Present:

Mr. Arthur L. Hunsaker, Policy Analyst
Mr. Joseph T. Wade, Policy Analyst
Ms. Emily R. Brown, Associate General Counsel
Ms. Victoria S. Ashby, Associate General Counsel
Ms. Wendy Bangerter, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Powell called the meeting to order at 9:15 a.m. He welcomed Sen. Casey Anderson as the newest member of the Committee.

MOTION: Rep. Perry moved to approve the minutes of the May 18, 2011, meeting. The motion passed unanimously. Sen. Romero, Rep. King, Rep. Litvack, and Rep. Wheatley were absent for the vote.

2. Procurement Code Revisions

Sen. Niederhauser distributed and reviewed an outline titled "Updating the Procurement Code." He reviewed efforts of the working group and the process being used to update the Utah Procurement Code (Code). He emphasized the need for the state to have an updated Code and establish penalties for entities that do not follow the Code.

Mr. Alan Bachman, Assistant Attorney General, helped explain the Code and potential code changes based on current practices.

Ms. Nancy Orton, Deputy Director, Division of Purchasing, also answered questions and explained that the division is developing training on the Code for state agencies.

Mr. Mark Anderson, General Counsel, Utah Association of Special Districts, clarified that political subdivisions and local and special service districts are subject to the Code and that cities and counties are exempt but may opt in.

3. State and Local Election Law: Recommendations

Mr. Mark Thomas, Elections Director, Office of the Lieutenant Governor, distributed "Election Issues for Consideration by the Government Operations Interim Committee." He reviewed policy issues for initiative and referenda ballot propositions and answered questions regarding clean up issues.

Mr. Scott Hogensen, Chairman, County Clerks Legislative Policy Committee, assisted in answering clarifying questions from the Committee.

Ms. Emily Brown, Associate General Counsel, also helped clarify points of discussion. She presented the Committee information regarding potential changes to state and local elections statutes, including changes made by 2011 General Session H.B. 230, "Disability Amendments."

Committee discussion followed.

Chair Powell directed staff to draft legislation addressing the clean up issues just discussed.

4. Boards and Commissions

Mr. Art Hunsaker, Policy Analyst for Government Operations, distributed and reviewed "Advisory Board Survey" and "Current State Boards and Commissions by Meeting Schedule." He reviewed an advisory board survey that gathered information in 2004 regarding boards and commissions and their efforts. He suggested that a new electronic survey could be developed asking for information that would give the Legislature adequate data to determine whether certain boards and commissions are functioning as originally intended and whether they should be continued or repealed.

Rep. Litvack explained his request for this study item. He stated he would work with staff to refine the list of boards and commissions to be surveyed and compile the questions asked on the new survey.

5. Application of Federal Receipts Reporting Requirements to Certain Entities

Ms. Victoria Ashby, Associate General Counsel, explained 2011 General Session H.B. 138, "Federal Receipts Reporting Requirements" stating that the Committee is required to study whether to draft legislation requiring a political subdivision, a state institution of higher education, or a school district to account for federal receipts. She addressed whether those same entities should be required to make a plan to address the possibility of a reduction in federal funds.

Rep. Ken Ivory gave a presentation explaining the financial status of the federal government and discussed whether the requirements in the bill should be extended to other entities.

Mr. Lincoln Shurtz, Utah League of Cities and Towns, responded that the cities and towns are willing to work with the state in studying the issue, but they do not see that additional reporting would be beneficial to them because of the limited federal funding they receive.

Mr. Brent Gardner, Executive Director, Utah Association of Counties, responded that the federal funding to counties is mostly limited to aging programs, law enforcement, and payment in lieu of taxes for public lands. He stated their issue of most concern is not reporting requirements but the mandates to provide services even if the federal funds are reduced. If federal funds are reduced to the state, some county services may be affected.

Mr. Anderson, Utah Association of Special Districts, explained the three areas of special districts affected by federal funds are water, sewer, and transportation and that many of those, as well as some other projects, are owned by the federal government. He said that most political subdivisions are not. He stated that federal funds are used mostly for capital projects and not for ongoing programs. He explained that local districts are not part

of the state budgeting process and that requiring them to report would increase government regulation and micro-managing.

Mr. Dave Buhler, Associate Commissioner for Public Affairs, Utah System of Higher Education, explained that higher education is funded by tax payers and students, not federal funds. He explained that students do receive federal grants. He stated that the Utah System of Higher Education is satisfied with the current reporting requirements and that it does not fit the contingency plan. He stated that any persons funded through the federal government know that if funding is reduced or eliminated, their jobs are jeopardized.

Mr. Todd Hauber, Associate State Superintendent of Public Instruction, stated that outside of an occasional extra project, federal funds represent eight percent of the 2012 budget. He explained that funds do not go to general operation, but to services for the poor and to special education. Because reporting is done at a higher level and not at the public school level, he asked for consideration if reporting law language is enacted.

Ms. Becky Bruso, Budget Analyst, Governor's Office of Planning and Budget, spoke on behalf of herself and Mr. John Reidhead, Director, Division of Finance, stating that if the Legislature decides to draft legislation requiring a political subdivision, a state institution of higher education, or a school district to account for federal receipts, a fiscal note would need to be attached to ensure that information gathering was correctly performed.

Rep. Ivory stated in conclusion that the bill is not intended to be a burden on local governments, but his intent is that they plan for federal reductions.

6. Committee Business / Adjourn

MOTION: Rep. Grover moved to adjourn the meeting. The motion passed unanimously. Sen. Knudson, Sen. Anderson, Sen. Dayton, Sen. Jenkins, Rep. Webb, Rep. Butterfield, Rep. Julie Fisher, Rep. Greenwood, Rep. Perry, and Rep. Peterson were absent for the vote.

Chair Powell adjourned the meeting at 12:00 p.m.